



ERNIE FLETCHER
GOVERNOR

EXECUTIVE ORDER

2005 - 121

Secretary of State
Frankfort
Kentucky

February 7, 2005

RELATING TO THE PUBLIC SERVICE COMMISSION
TO REPORT ON THE FUTURE NEEDS FOR ELECTRICITY
IN THE COMMONWEALTH

WHEREAS, the Commonwealth Energy Policy Task Force issued a comprehensive energy strategy to guide energy policy decisions for the Commonwealth of Kentucky; and

WHEREAS, protection of Kentucky's air, land, and water resources is necessary to achieve environmental, economic development, and human health goals; and

WHEREAS, the Commonwealth of Kentucky enjoys some of the lowest electricity rates in the nation; and

WHEREAS, Kentucky's low-cost advantage in electricity is an important catalyst for economic growth and business development in Kentucky; and

WHEREAS, maintaining low electricity rates is critical to improving the lives of Kentucky's low-income families and protecting those with fixed incomes; and

WHEREAS, the laws and regulations governing the electric power industry have undergone significant changes at the state and federal levels over the past decade with implications for Kentucky; and

WHEREAS, the blackout of August 14, 2003, demonstrated vulnerabilities in regional electric power grids, which can affect the lives and livelihoods of all Kentuckians; and

WHEREAS, future investment in Kentucky's electricity infrastructure will be needed to ensure abundant and affordable supplies of electricity for all Kentuckians and to maintain Kentucky's low-cost advantage in electricity; and

WHEREAS, the Commonwealth Energy Policy Task Force's report, *Kentucky's Energy – Opportunities for our Future*, recommended, "The Commonwealth of Kentucky should develop a comprehensive statewide assessment of Kentucky's electricity infrastructure—generation, transmission and distribution—which includes reasonable projections of future electricity requirements."; and

WHEREAS, the Commonwealth Energy Policy Task Force's report, *Kentucky's Energy – Opportunities for our Future*, recommended, "The Commonwealth of Kentucky assessment should serve as a 'strategic blueprint' for policy-makers to determine future investment requirements in Kentucky's electricity generation, transmission, and distribution infrastructure."; and



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WHEREAS, the Commonwealth Energy Policy Task Force's report, *Kentucky's Energy – Opportunities for our Future*, recommended, "The Commonwealth of Kentucky should utilize the 'strategic blueprint' to develop policies to ensure sufficient investment in electricity infrastructure—generation, transmission and distribution—to sustain Kentucky's low cost electricity into the future."; and

WHEREAS, the Commonwealth Energy Policy Task Force's report, *Kentucky's Energy – Opportunities for our Future*, recommended, "The Commonwealth of Kentucky should identify impediments to investment in electricity generation, transmission and distribution and develop policies to promote investment while ensuring that appropriate environmental protections are maintained and local voices are heard."; and

WHEREAS, the Commonwealth Energy Policy Task Force's report, *Kentucky's Energy – Opportunities for our Future*, recommended, "The Commonwealth of Kentucky should design and implement policies that promote, but do not mandate, the use of renewable energy resources in Kentucky's electricity generation portfolio.";

NOW, THEREFORE, I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Kentucky Constitution and in particular Sections 69 and 81, and Chapter 278 of the Kentucky Revised Statutes, and as further invested in me by the laws of the Commonwealth, do hereby FIND, DECLARE, ORDER and DIRECT the following:

1. The Kentucky Public Service Commission shall develop, in conjunction with the Commerce Cabinet and the Environmental and Public Protection Cabinet, a Strategic Blueprint to promote future investment in electric infrastructure for the Commonwealth of Kentucky, to protect Kentucky's low-cost electric advantage, to maintain affordable electricity rates for all Kentuckians and to preserve Kentucky's commitment to environmental protection.
2. The Strategic Blueprint referenced herein shall analyze the projected needs for new electricity generation, transmission, and distribution in Kentucky going forward and include the following information: the status of electricity generation, transmission, and distribution in Kentucky; available sources of electricity supply for Kentucky ratepayers; projected demands for electricity in Kentucky through 2025; the existence of any barriers to investment in generation, transmission, and distribution infrastructure in Kentucky; the existence of any barriers to the utilization of technologies in generation, transmission and distribution of electricity that will minimize impacts to the environment; strategies directed at the utilization of technologies to improve the efficiency of electricity service in Kentucky; opportunities to promote the utilization of renewable energy resources in Kentucky's electricity portfolio; and such other information as the Public Service Commission determines may help to ensure future investment in electricity infrastructure to meet Kentucky's needs.



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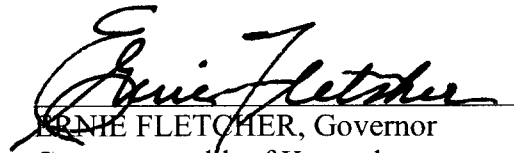
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3. The Public Service Commission shall issue a report to the Governor containing the Strategic Blueprint no later than six (6) months from the effective date of this Order and shall periodically update the report to reflect changes in infrastructure and future electricity requirements.


ERNIE FLETCHER, Governor
Commonwealth of Kentucky


TREY GRAYSON
Secretary of State

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DATE 2/7/05

TREY GRAYSON

SECRETARY OF STATE

COMMONWEALTH OF KENTUCKY

BY R. Adler
